ATTORNEY DOCKET NO. REIM-0002 **PATENT**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Applicants:	Senthil Kumar, *et al.*
Serial No.:	10/035,921
Filed:	October 27, 2001
Title:	REMOTELY CONFIGURABLE MEDIA AND ADVERTISEMENT PLAYER AND METHODS OF MANUFACTURE AND OPERATION THEREOF
Grp./A.U.:	3622
Examiner:	John W. Van Bramer
Confirmation No	2210

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ATTENTION: Board of Patent Appeals and Interferences

Sirs:

APPEAL BRIEF UNDER 37 C.F.R. §41.37

This is an appeal from a Final Rejection dated May 19, 2008, of Claims 1-4, 6-11, 13-18, and 20-24. The Appellants submit this Brief with the statutory fee of $270.00 as set forth in 37 C.F.R.§41.20(b)(2), and hereby authorize the Commissioner to charge any additional fees connected with this communication or credit any overpayment to Deposit Account No. 08-2395.

This Brief contains these items under the following headings, and in the order set forth below in accordance with 37 C.F.R. §41.37(c)(1):

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I. REAL PARTY IN INTEREST

The real party in interest in this appeal is the Assignee, Real Image Media Technologies (P) Ltd., Chennai, INDIA.

II. RELATED APPEALS AND INTERFERENCES

No other appeals or interferences will directly affect, be directly affected by, or have a bearing on the Board's decision in this appeal.

III. STATUS OF THE CLAIMS

Claims 1-4, 6-11, 13-18 and 20-24 are pending in this application. Claims 1, 6, 8, 13, 15, 20, and 22-24 have been rejected under 35 U.S.C. 102(b). Claims 2-4, 7, 9-11, 14, 16-18, and 21 have been rejected under 35 U.S.C. 103(a). Each of the pending claims and are being appealed.

IV. STATUS OF THE AMENDMENTS

The present Application was filed on October 27, 2001. The Appellants filed a first Amendment on December 21, 2006 in response to a first Examiner's Action mailed September 22, 2006. The Appellants amended Claims 1-8 and 15 in the first Amendment. The Examiner entered the first Amendment and subsequently issued a first Final Rejection on April 6, 2007. The Appellants then filed a second Amendment on June 6, 2007. The Appellants amended Claims 1, 8, and 15 and canceled without prejudice or disclaimer Claims 5, 12, and 19 in the second amendment. The Examiner did not enter the second Amendment in an Advisory Action of October 4, 2007, indicating the second Amendment raised new issues that would require further consideration and/or

search. The Appellants then filed the amendments made in the second Amendment with a Request for Continued Examination. The Appellants filed a third Amendment on February 7, 2008 in response to an Examiner's Action electronically delivered December 17, 2007. The Appellants amended Claims 1, 8, 15, and 21 in the third Amendment. The Examiner entered the third Amendment and subsequently issued a second Final Rejection on May 19. 2008. The Appellants traversed the second Final Rejection of May 19, 2008 in a Request for Reconsideration filed on June 20, 2008. The Examiner indicated in a second Advisory Action of July 28, 2008 that the arguments were not persuasive and maintained the second Final Rejection of May 19, 2008. The Appellants filed a Notice of Appeal and a Pre-Appeal Brief Request For Review on August 18, 2008. A Notice of Panel Decision was issued on October 10, 2008, indicating that the Application remains under appeal.

V. SUMMARY OF CLAIMED SUBJECT MATTER

The present invention is directed, in general, to a remotely configurable media and advertisement player, a method of manufacturing the player, and a method of operating the player to play media and advertisements and report the media and advertisement it plays to a remote system. (*See* paragraph [0001].) The present invention introduces the broad concept of media and advertisement players located in wide variety of commercial establishments located over a wide geographic area that play media and advertisements according to specific playback and advertisement rules that govern what media and advertisements, respectively, are loaded into specific players and when the media and advertisements are loaded. Additionally, the playback and advertising rules for the media and advertisements to be played can be adjusted based on media and

advertisement play information gathered. (*See, e.g.*, paragraphs [0031-0035] and [0037]-[0041] and Figs. 1-3.)

Independent Claim 1 is directed to a media and advertisement player, for use with a compute network, that includes: (1) a media player that receives and stores media from a remote system via the computer network and plays stored media content in response to customer requests which are constrained by adjustable playback rules that select among audio music, music videos, and skins to be distributed, received, and stored among a plurality of media players; (2) an advertisement player that receives advertisements and a corresponding advertising schedule from the remote system via the computer network and plays the advertisements according to the advertising schedule which is dependent upon play of a content of the media and is correlated to the stored media content constrained by the playback rules; and (3) a tracking subsystem that generates as-run logs derived from customer requests containing records of a playing of media and advertisements and transmits the as-run logs to the remote system via the computer network to adjust the playback rules.

In one embodiment, for example, the original specification discloses a media and advertisement player 120. The player 120 includes a media player 310 responsible for receiving media from a remote system via a computer network. The media player 310 is further responsible for playing the media in response to customer requests. The media and advertisement player 120 further includes an advertisement player 320 responsible for receiving advertisements and a corresponding advertising schedule from the remote system via the computer network. The advertisement player 320 is further responsible for playing the advertisements according the advertising schedule. The media and advertisement player 120 still further includes a tracking subsystem 330 responsible for generating as-run logs containing records of a playing of the media

and advertisements. The tracking subsystem 330 is further responsible for transmitting the as-run logs to the remote system via the computer network. The media and advertisement player 120 yet further includes a display 230 that represents a graphical user interface (GUI) which has skin, a particular look and feel that the GUI can present to the user, that is received from the remote system via the computer network and presents soft buttons to customers that can be used to select media and receive help. (See, *e.g.*, paragraphs [0054]-[0057] and Figs. 1 and 3.)

Independent Claim 8 is directed to a method of manufacturing a media and advertisement player, including: (1) providing a media player subsystem that receives and stores media from a remote system via a computer network and plays stored media content, constrained by adjustable playback rules that selects among at least some different media content to be distributed, received, and stored among a plurality of media players, in response to customer requests; (2) coupling an advertisement player subsystem that receives advertisements and a corresponding advertising schedule from the remote system via the computer network that stores and plays the advertisements according to the advertising schedule which is dependent upon play of content of the media and is correlated to the stored media content constrained by the playback rules; and (3) coupling a tracking subsystem that generates as-run logs containing records of a playing of contents of the media derived from customer requests and the advertisements and transmits to the remote system via the computer network to adjust the playback rules.

In one embodiment, for example, the original specification discloses a method 2000 of manufacturing the media and advertisement player 120 of Fig. 1. A media player subsystem is provided in step 2020 that receives media from a remote system via a computer network and plays the media in response to customer requests. An advertisement player subsystem is provided in step

2030 that receives advertisements and a corresponding advertising schedule from the remote system via the computer network and plays the advertisements according to the advertising schedule. A tracking subsystem is provided in step 2040 that generates as-run logs containing records of playing of the media and advertisements and transmits the as-run logs to the remote system via the computer network. A PC is provided in step 2050 to host the media and advertisement player where the media and advertisements are stored on a hard disk drive of the PC. (*See*, *e.g.*, paragraphs [0076]-[0080] and Fig. 20.

Independent Claim 15 is directed to a method of playing media and advertisements, for use with a computer network, and reporting the playing of the media and advertisements to a remote system including: (1) receiving and storing media selected from the group consisting of audio music, music videos, and skins, from a remote system via the computer network; (2) receiving and storing advertisements and a corresponding advertising schedule from the remote system via the computer network; (3) playing the media in response to customer requests constrained by playback rules that selects among media content to be distributed, received, and stored among a plurality of media players; (4) playing the advertisements according to the advertising schedule which is dependent upon play of a content of the media and correlating the advertising schedule to the stored media content constrained by the playback rules; (5) generating as-run logs containing records of a playing of a content of the media and the advertisements; and (6) transmitting the as-run logs containing records of a playing of contents of the media derived from customer request to the remote system via the computer network to adjust the playback rules.

In one embodiment, for example, the original specification discloses a method 2100 of playing media and advertisements and reporting the playing of the media and advertisements to a

remote system. Media is received, in step 2110, from a remote system via a computer network. Advertisements and a corresponding advertising schedule are received, in step 2115, from the remote system via the computer network. A skin is received, in step 2120, from the remote system via the computer network. The media, advertisements, and skin are stored, in step 2125, on a hard disk drive of a PC. The display is initialized, in step 2130, using the skin. Pieces of media are played, in step 2135, in response to customer requests. Advertisements are played, in step 2140, according to the advertising schedule. As-run logs containing records of a playing of the media and advertisements are, in step 2145, generated. The as-run logs are transmitted, in step 2150, to the remote system via the computer network. (*See, e.g.*, paragraphs [0081]-[0083] and Fig. 21.)

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The first issue presented for consideration in this appeal is whether Claims 1, 6, 8, 13, 15, 20, and 22-24, as rejected by the Examiner, are anticipated in accordance with 35 U.S.C. §102(b) by U.S. Patent No. 5,774,170 to Hite, *et al.* (hereinafter "Hite"). The second issue presented for consideration in this appeal is whether Claims 2-4, 7, 9-11, 16-18, and 21, as rejected by the Examiner, are patentably non-obvious in accordance with 35 U.S.C. §103(a) over Hite in view of U.S. Patent Application Publication No. 2002/0054087 by Noll, *et al.* (hereinafter "Noll").

VII. APPELLANTS' ARGUMENT

The inventions set forth in independent Claims 1, 8, and 15, and respective dependent Claims are neither anticipated by Hite nor obvious over Hite in combination with Noll.

Rejection under 35 U.S.C. §102(a) over Hite

A. Rejection of Claims 1, 8, and 15

Hite is generally directed to television and radio advertising by delivering and displaying electronic advertising messages (commercials) within specified programming in one or more pre-determined households while simultaneously preventing a commercial from being displayed in other households or other displays for which it is not intended. (*See* Abstract.) In Hite, each commercial has an appended Commercial Identifier (CID) code based on its nature and focus. A set of appropriate CID codes are determined for each viewer. In a preferred embodiment, an individually addressable digital recording device (RD) with a unique address is installed at a display site in a television or radio receiver, VCR, display device or set-top box or modular decoder associated with a media provider. One or more of the appropriate CID codes for the viewer are transmitted to and recorded by the RD in advance of a commercial broadcast. The CIDs are used to "tell" the display which upcoming commercials to play and which to ignore. Multiple commercials, each with a unique CID, are simultaneously broadcasted in a television or radio spot. A Commercial Processor (CP) at the display site is programmed to look for and analyze the CID in each incoming commercial. If there is a match between the CID in a commercial and the CID in the RD, the commercial is displayed. When the CIDs do not match, the commercial is ignored and not displayed. (*See, e.g.*, column 3, lines 43-45; column 3, line 65, through column 4, line 8; column 5, lines 40-50 and lines 63-67; and column 6, lines 10-18 and lines 28-29.)

Thus, Hite teaches an appropriate set of CID codes are generated for each display site and stored at the display site so that when multiple simultaneous commercials, each with an appended CID code, are broadcast to the display site, only those commercials with appended CID codes that

match the appropriate codes stored at the display site are played. Hite also teaches that: the commercials can be pre-sent to the display site and then played appropriately (*see, e.g.*, column 7, lines 35-45); commercials can be delivered, stored, and played appropriately in a switched video-on-demand (VOD) (*see, e.g.*, column 7, lines 52-54); the selection of commercial to be displayed at a specific display site are synchronized at the signal origination source so that enhanced advertising can be inserted independent of which program is being watched (*see, e.g.*, column 7, line 64, through column 8, line 2).

The Examiner cites column 1, lines 6-10; column 5, line 28 through column 6, line 39; column 6, line 60 through column 7, line 34; column 7 lines 51-63; column 9, lines 32-42; and column 14, liens 59-65 of Hite to assert that Hite discloses:

> "…a media and advertisement player, a method of manufacturing a media and advertisement media player, and a method of playing media and advertisements and reporting the playing of the media and advertisements to a remote system respectively, each comprising:
> a. A media player that receives and stores media from a remote system via said computer network and plays stored media content in response to customer requests, said customer requests constrained by playback rules that select among media content to be distributed, received, and stored among a plurality of media players, wherein said media player receives and stores, according to said playback rules, at least some different content than another of said plurality of media players, wherein said media is selected from the group consisting of audio music, music videos, and skins.
> b. …"

(*See* Final Rejection of May 19, 2008, pages 2-3.)

The Appellant fail to find in the cited portions of Hite, or elsewhere for that matter, any teaching or suggestion of: (1) receiving and storing **media** from a remote system via a computer network; (2) playing the **media** in response to customer requests; or (3) playback rules constraining the receipt and storage of the **media** – all as recited in independent Claims 1, 8, and 15.

Paragraph [0031] of the original specification states:

> "...For purposes of the present invention, "media" is defined broadly to include audio music, music videos, nonmusic entertainment or nonentertainment information..."Media" is not, however defined to include advertisements, which are pitches for products or services that an advertiser pays to play. Implicit in this distinction is that customers choose to play media and generally only tolerate the playing of advertisements..."

As noted in the Pre-Appeal Brief Request for Review of August 18, 2008, page 3, according to M.P.E.P §2111.01(IV) Applicant May Be Own Lexicographer: "Where an explicit definition is provided by the Applicant for a term, that definition will control interpretation of the term as it is used in the claim. *Toro Co. v. White Consolidated Industries Inc.*, 199 F.3d 1295, 1301, 53 USPQ2d 1065, 1069 (Fed. Cir. 1999). As noted above, the Appellants have explicitly defined "media" as to **not** include advertisements.

The cited portions of Hite teach, as noted above, receiving and storing **advertisements** from a remote system. The cited portions of Hite do not teach or suggest receiving and storing **media** from a remote system. Assuming *arguendo* that the advertisements of Hite are the claimed media, the Appellants fail to find any teach or suggestion in Hite of playing the advertisement in response to a customer request as recited in independent Claims 1, 8, and 15. Additionally, the Examiner cites column 8, lines 18-39 of Hite in the Advisory Action of July 28, 2008, to assert that Hite specifically discloses adjusting playback rules. However, the cited portion of Hite teaches that an algorithm changes from time to time based on the nature of *commercials* and the demographics of the viewers and that as the situation of the viewers changes, the CIDs appropriate to those viewers also changes (*emphasis* added). Thus, the cited portion of Hite teaches that **advertising** rules may be adjusted, but the cited portion does not teach or suggest that playback rules for **media** are adjusted.

For at least the reasons given above, the Appellants find no teaching or suggestion in Hite, as asserted by the Examiner, of receiving and storing media from a remote system via a computer network, playing the media in response to customer requests, the customer requests constrained by playback rules as recited in independent Claims 1, 8, and 15. Thus, Hite does not anticipate independent Claims 1, 8, and 15. Accordingly, the Appellants respectfully request the Board of Patent Appeals and Interferences to reverse the Examiner's Final Rejection of Claims 1, 8, and 15 and allow issuance of Claims 1, 8, and 15 and Claims that depend thereon.

B. Rejection of Claims 6, 13, and 20

The Examiner has rejected Claims 6, 13, and 20 under 35 U.S.C. §102(b) as being anticipated by Hite. The Appellants believe the above arguments in section A establishes that Hite does not anticipate the inventions of independent Claims 1, 8, and 15 and, therefore, are incorporated herein by reference. Dependent Claim 6 and analogously dependent Claims 13 and 20 additionally require "a personal computer, said media and advertisements being stored on a hard disk drive of said personal computer," and thereby introduce a patentably distinct element in addition to the elements recited in Claims 1, 8, and 15, respectively. Hite does not teach the additional element of Claims 6, 13, and 20 in combination with the base claim limitations. Thus, Hite does not anticipate dependent Claims 6, 13, and 20. Accordingly, the Appellants respectfully request the Board of Patent Appeals and Interferences to reverse the Examiner's Final Rejection of Claims 6, 13, and 20 and allow issuance thereof.

C. Rejection of Claim 22

The Examiner has rejected Claim 22 under 35 U.S.C. §102(b) as being anticipated by Hite. The Appellants believe the above arguments in section A establishes that Hite does not anticipate the invention of independent Claim 1 and, therefore, are incorporated herein by reference. Dependent Claim 20 additionally requires "wherein said advertising schedule being dependent upon plays of selected content of said media further comprises said advertising schedule being based on a selection of content a first media but not from a selection of content of second media," and thereby introduce a patentably distinct element in addition to the elements recited in Claim 1. Hite does not teach the additional element of Claim 22 in combination with the base claim limitations. Thus, Hite does not anticipate dependent Claim 22. Accordingly, the Appellants respectfully request the Board of Patent Appeals and Interferences to reverse the Examiner's Final Rejection of Claim 22 and allow issuance thereof.

D. Rejection of Claim 23

The Examiner has rejected Claim 23 under 35 U.S.C. §102(b) as being anticipated by Hite. The Appellants believe the above arguments in section A establishes that Hite does not anticipate the invention of independent Claim 1 and, therefore, are incorporated herein by reference. Dependent Claim 23 additionally requires "wherein said advertising schedule is based on said given advertisement and its proximity to a content of said particular media being played," and thereby introduce a patentably distinct element in addition to the elements recited in Claim 1. Hite does not teach the additional element of Claim 23 in combination with the base claim limitations. Thus, Hite does not anticipate dependent Claim 23. Accordingly, the Appellants respectfully request the Board

of Patent Appeals and Interferences to reverse the Examiner's Final Rejection of Claim 23 and allow issuance thereof.

E. Rejection of Claim 24

The Examiner has rejected Claim 24 under 35 U.S.C. §102(b) as being anticipated by Hite. The Appellants believe the above arguments in section A establishes that Hite does not anticipate the invention of independent Claim 1 and, therefore, are incorporated herein by reference. Dependent Claim 24 additionally requires "wherein said advertising schedule is based on at least one aspect selected from the group consisting of: (1) a geographic location of said media player and said advertisement player; (2) an establishment type in which said media player and advertisement player are located; (3) a demographic of establishment in which said media and said advertisement player is located; (4) a time of a day; (5) a date; (6) a day of a week; (7) a month of a year; and (8) a season of a year," and thereby introduce a patentably distinct element in addition to the elements recited in Claim 1. Hite does not teach the additional element of Claim 24 in combination with the base claim limitations. Thus, Hite does not anticipate dependent Claim 24. Accordingly, the Appellants respectfully request the Board of Patent Appeals and Interferences to reverse the Examiner's Final Rejection of Claim 22 and allow issuance thereof.

Rejection under 35 U.S.C. §103(a) over Hite in view of Noll

F. Rejection of Claims 2, 9, and 16

The Examiner has rejected Claims 2, 9, and 16 under 35 U.S.C. §103(a) as being unpatentable over Hite in view of Noll. The Appellants believe the above arguments in section A establishes that the cited portions of Hite do not teach or suggest the inventions of independent Claims 1, 8, and 15 and, therefore, are incorporated herein by reference. The Examiner did not apply Noll to cure the above-noted deficiencies of Hite but teach the additional limitations of Claims 2, 9, and 16. The cited combination does not teach or suggest receiving and storing media from a remote system via a computer network, playing the media in response to customer requests, the customer requests constrained by playback rules. Thus, the cited combination of Hite and Noll does not establish a *prima facie* case of obviousness of dependent Claims 2, 9, and 16. Accordingly, the Appellants respectfully request the Board of Patent Appeals and Interferences to reverse the Examiner's Final Rejection of Claims 2, 9, and 16 and allow issuance thereof.

G. Rejection of Claims 3, 10, and 17

The Examiner has rejected Claims 3, 10, and 17 under 35 U.S.C. §103(a) as being unpatentable over Hite in view of Noll. The Appellants believe the above arguments in section F establishes that the cited combination of Hite and Noll do not provide a *prima facie* case of obviousness of dependent Claims 2, 9, and 16 and, therefore, are incorporated herein by reference. Dependent Claim 3 and analogously dependent Claims 10 and 17 additionally require "a display that presents a graphical user interface," and thereby introduce a patentably distinct element in addition to the elements recited in Claims 2, 9, and 16, respectively. Thus, dependent Claims 3, 10, and 17 are

not obvious over the cited combination of the cited portions of Hite and Noll as applied by the Examiner. Accordingly, the Appellants respectfully request the Board of Patent Appeals and Interferences to reverse the Examiner's Final Rejection of Claims 3, 10, and 17 and allow issuance thereof.

H. Rejection of Claims 4, 11, and 18

The Examiner has rejected Claims 4, 11, and 18 under 35 U.S.C. §103(a) as being unpatentable over Hite in view of Noll. The Appellants believe the above arguments in section F establishes that the cited combination of Hite and Noll do not provide a *prima facie* case of obviousness of dependent Claims 2, 9, and 16 and, therefore, are incorporated herein by reference. Dependent Claim 4 and analogously dependent Claims 11 and 18 additionally require "wherein said display is touch-sensitive," and thereby introduce a patentably distinct element in addition to the elements recited in Claims 2, 9, and 16, respectively. Thus, dependent Claims 4, 11, and 18 are not obvious over the cited combination of the cited portions of Hite and Noll as applied by the Examiner. Accordingly, the Appellants respectfully request the Board of Patent Appeals and Interferences to reverse the Examiner's Final Rejection of Claims 4, 10, and 18 and allow issuance thereof.

I. Rejection of Claims 7, 14, and 21

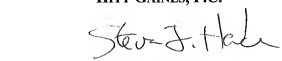
The Examiner has rejected Claims 7, 14, and 21 under 35 U.S.C. §103(a) as being unpatentable over Hite in view of Noll. The Appellant believe the above arguments in section A establishes that the cited portions of Hite do not teach or suggest the inventions of independent Claims 1, 8, and 15 and, therefore, are incorporated herein by reference. The Examiner did not apply

Noll to cure the above-noted deficiencies of Hite but teach the additional limitations of Claims 7, 14, and 21. The cited combination does not teach or suggest receiving and storing media from a remote system via a computer network, playing the media in response to customer requests, the customer requests constrained by playback rules. Thus, the cited combination of Hite and Noll does not establish a *prima facie* case of obviousness of dependent Claims 7, 14, and 21. Accordingly, the Appellants respectfully request the Board of Patent Appeals and Interferences to reverse the Examiner's Final Rejection of Claims 7, 14, and 21 and allow issuance thereof.

For the reasons set forth above, the Claims on appeal are not anticipated by Hite. Further, the Claims are patentably non-obvious over Hite in view of Noll. Accordingly, the Appellants respectfully request that the Board of Patent Appeals and Interferences reverse the Examiner's Final Rejection of all of the Appellants' pending claims.

Respectfully submitted,

HITT GAINES, P.C.



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VIII. APPENDIX A – CLAIMS

1. For use with a computer network, a media and advertisement player, comprising:

a media player that receives and stores media from a remote system via said computer network and plays stored media content in response to customer requests, said customer requests constrained by playback rules that select among media content to be distributed, received, and stored among a plurality of media players, wherein said media player receives and stores, according to said playback rules, at least some different distributed media content than another of said plurality of said media players, wherein said media is selected from the group consisting of: audio music, music videos, and skins;

an advertisement player that receives advertisements and a corresponding advertising schedule from said remote system via said computer network that stores and plays said advertisements according to said advertising schedule, said advertising schedule being dependent upon play of a content of said media, wherein said advertising schedule is correlated to said stored media content, said stored media content constrained by said playback rules; and

a tracking subsystem that generates as-run logs derived from customer requests containing records of a playing of said media and said advertisements and transmits said as-run logs to said remote system via said computer network, said as-run logs employed by said remote system to adjust said playback rules.

2. The media and advertisement player as recited in Claim 1 further comprising a display that presents a graphical user interface.

3. The media and advertisement player as recited in Claim 2 wherein said graphical user interface has a skin that is received from said remote system via said computer network.

4. The media and advertisement player as recited in Claim 2 wherein said display is touch-sensitive.

5. (Canceled)

6. The media and advertisement player as recited in Claim 1 further comprising a personal computer, said media and said advertisements being stored on a hard disk drive of said personal computer.

7. The media and advertisement player as recited in Claim 1 wherein said computer network is the Internet.

8. A method of manufacturing a media and advertisement player, comprising:

providing a media player subsystem that receives and stores media from a remote system via said computer network and plays stored media content in response to customer requests, said customer requests constrained by playback rules that selects among media content to be distributed, received, and stored among a plurality of media players, wherein said media player receives and stores, according to said playback rules, at least some different distributed media content than another of said plurality of said media players wherein said media is selected from the group

consisting of: audio music, music videos, and skins;

coupling an advertisement player subsystem that receives advertisements and a corresponding advertising schedule from said remote system via said computer network that stores and plays said advertisements according to said advertising schedule on said advertisement player subsystem, said advertising schedule being dependent upon a play of a content of said media, wherein said advertising schedule is correlated to said stored media content, said stored media content constrained by said playback rules; and

coupling a tracking subsystem that generates as-run logs containing records of a playing of contents of said media derived from customer requests and said advertisements and transmits said as-run logs to said remote system via said computer network to said media player subsystem ~~to~~ from said media player subsystem, said as-run logs employed by said remote system to adjust said playback rules.

9. The method as recited in Claim 8 wherein said media player subsystem and said advertisement player subsystem employ a display that presents a graphical user interface.

10. The method as recited in Claim 9 wherein said graphical user interface has a skin that is received from said remote system via said computer network.

11. The method as recited in Claim 9 wherein said display is touch-sensitive.

12. (Canceled)

13. The method as recited in Claim 8 further comprising providing a personal computer, said media and said advertisements being storable on a hard disk drive of said personal computer.

14. The method as recited in Claim 8 wherein said computer network is the Internet.

15. For use with a computer network, a method of playing media and advertisements and reporting the playing of the media and advertisements to a remote system, comprising:

receiving and storing media from a remote system via a computer network, wherein said media is selected from the group consisting of: audio music, music videos, and skins;

receiving and storing advertisements and a corresponding advertising schedule from said remote system via said computer network;

playing said media in response to customer requests, said customer requests constrained by playback rules that selects among media content to be distributed, received, and stored among a plurality of media players, wherein said media player receives and stores, according to said playback rules, at least some different distributed media content than another of said plurality of said media players according to said playback rules;

playing said advertisements according to said advertising schedule, said advertising schedule being dependent upon a play of content of said media, wherein said advertising schedule is correlated to said stored media content, said media content constrained by said playback rules;

generating as-run logs containing records of a playing of a content of said media and said advertisements; and

transmitting said as-run logs containing records of a playing of contents of said media derived

from customer requests to said remote system via a computer network, said as run logs employed by said remote system to adjust said playback rules.

16. The method as recited in Claim 15 wherein said customer requests are received via a graphical user interface on a display.

17. The method as recited in Claim 16 wherein said graphical user interface has a skin, said method further comprising receiving said skin from said remote system via a computer network.

18. The method as recited in Claim 16 wherein said display is touch-sensitive.

19. (Canceled)

20. The method as recited in Claim 15 further comprising storing said media and said advertisements on a hard disk drive of a personal computer.

21. The method as recited in Claim 15 wherein said computer network includes the Internet.

22. The player of Claim 1, wherein said advertising schedule being dependent upon plays of selected content of said media further comprises said advertising schedule being based on a selection of content a first media but not from a selection of content of a second media.

23. The player of Claim 1, wherein said advertising schedule is based on said given advertisement and its proximity to a content of said particular media being played.

24. The player of Claim 1, wherein said advertising schedule is based on at least one aspect selected from the group consisting of:

(1) a geographic location of said media player and said advertisement player;

(2) an establishment type in which said media player and advertisement player are located;

(3) a demographic of establishment in which said media and said advertisement player is located;

(4) a time of a day;

(5) a date;

(6) a day of a week;

(7) a month of a year; and

(8) a season of a year.

IX. APPENDIX B - EVIDENCE

The evidence in this appendix includes a U.S. Patent No. 5,774,170 to Hite, *et al.* and a U.S. Patent Application Publication No. 2002/0054087 by Noll, *et al.* Hite and Noll were entered in the record by the Examiner in the Examiner's Action of December 17, 2077.

X. RELATED PROCEEDINGS APPENDIX

NONE